

#### A PERIOD OF ARMED TRUCE

decision was due to commercial reasons as well as to the general political uncertainty that prevailed in the world in 1938. This statement was no doubt true: the pipe line that would carry the northern oil would have to run from the north to the south of Iran, the Soviet territory being naturally nonavailable, and that would make the whole operation too expensive. Moreover, the successful development of production by the Arabian-American Oil Company in the tidelands of southern Arabia introduced a new factor of prime magnitude. In such circumstances the Amiranian, with its territory so far inland, could not hope to withstand competition. It is interesting to note, however, that eventually the Russian press was not loath to attribute this withdrawal to Soviet pressure on the Iranian government.

Thus ended the last attempt to exploit the oil resources of the north in the interwar period.<sup>6</sup> The problem was not revived until the fall of 1944, of which more will be said later.<sup>7</sup> Of all the vicis-

s Aside from the big oil concessions in northern and southern Iran, still another, though of minor importance, was granted by the Iranian government in the district of Semnan. In 1878 Nasir ed-Din Shah awarded this concession covering the district of Semnan east of Teheran to one of his subjects, Haji Ali Akbar Amine Ma'aden. In 1924 this concession was confirmed by the Iranian Minister of Public Works. The acquired rights of the late Amine Ma'aden were represented by Haji Mirza Ali Akbar Khan Sotudeh and Mirza Abdol Hosein Khan Ma'aden. This concession was also subjected to the vicissitudes of Anglo-Soviet rivalry. The Anglo-Iranian Oil Company claimed that the concession was invalid because the Semnan district was located within the area of the original D'Arcy concession of 1901. The Iranian government managed to prove, however, that in 1901 the district of Semnan constituted a part of the province of Khorasan, which together with four other northern provinces was excluded from the D'Arcy

concession. In this controversy with the British Iran was supported by Russia. This happened because the Soviet government had meanwhile bought a share of this concession from the heirs of the late Amine Ma'aden. A detail that adds flavor to this intrigue was that the middleman who arranged this deal was none other than the old rival of the Soviets, Khoshtaria himself. According to this deal, an "Iranian" company, Kavir-Khurian, was set up in 1925 to exploit the oil resources there. Its capital was 50,000,000 rials divided into 100,000 shares worth 500 rials each. Sixty-five per cent of the stock was owned by the Soviet government. In 1926 following an agreement between the Iranian and Soviet governments, French capital was invited to participate in this enterprise. As a result an Iranian-French syndicate was created to carry on prospecting. (For more details see Zangueneh, *Le Petrole en Perse* [Paris, 1933] P- 209.)  
 7 See p. 216,